in the State. The steps in the MoU process include preparation of the Sector Status Study, finalization of the State Vision Statement; preparation of comprehensive water and sanitation policy for the State; the Agreed Action Framework and signing of the Memorandum of Understanding (MoU) with Government of India and preparation of detailed Annual Action Plan by the State Governments. The final MoU will be prepared in consultation with the State Government and will include an agreed action framework for implementing the reform initiative in a time bound manner in the rural drinking water supply and sanitation sector. The State Governments have been told that the MoU will provide the framework for all funding arrangements with Government of India and also external support agencies. Access of the State Government to funding from external agencies like the World Bank etc. would be contingent of signing of the MoU.

Presently, the State Governments of Maharashtra, Karnataka and Andhra Pradesh have prepared the first draft of the Sector Status Study while other States have commenced action in this regard. The MoU will be signed only upon completion of the various steps in the MoU process indicated above and the implementation of the Agreed Action Framework will thereafter be monitored by independent monitors/supervisory mission.

Fall in Export of Cotton Textiles

*333 SHRI C PERUMAL: Will the Minister of TEXTILES be pleased to state

(a) whether there is considerable fall in the export of cotton textiles in the last two years,

(b) if so, the details thereof, and

(c) the steps taken to increase the export of cotton textiles?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) and b) As per available Directorate General of Commerce Intelligence

& Statistics (DGCI&S) data, cotton textiles exports during the year 2001-2002, 2002-2003 and 2003-2004 have been, as given below:

Year	Value (In US $ Million)	%increase over the previous year
April 2001-March 2002	3081.8	
April 2002-March 2003	3361.4	9.1%
April 2003-March 2004 (Provisional)	3501.0	4.2%

Source: Foreign Trade Statistics of India (PC&C), DGCI&S, Kolkata

(c) To strengthen domestic textile industry for meeting the growing global competition, the following important announcements have been made in the Union Budget 2004-05:

- Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain has been given excise exemption option.
- Additional Excise Duty on Textiles & Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act have been abolished.
- Basic customs duty on various textile machinery and spare parts has been reduced to 5%.

Beside, Government has been taking a number of steps from time to time to provide an enabling environment for the industry to meet the emerging global competition and thereby increase India's textile exports including cotton textiles. Some of the important initiatives taken are:

(i) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of the sector.

(ii) Weaving, processing and garment machinery, which are covered

under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%. Cost of machinery has also been reduced through Fiscal Policy measures. This further encourages modernisation.

(iii) The Government has launched a centrally sponsored scheme titled "Apparel Park for Export Scheme" for imparting focused thrust for setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports.

(iv) For upgrading infrastructure facilities at important textile centres, a scheme "Textile Centre Infrastructure Development Scheme" (TCIDS) has been launched.

(v) In order to explore the potential for further increasing the exports of textiles a series of specialised market studies have been commissioned through professional firms. These studies will enable identification of business opportunities for the exporters especially in the post quota regime.

Performance of Weaving and Processing sector

*334. SHRI S.P.M. SYED KHAN: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that due to lack of modernisation, the performance of weaving and processing sector is critical, and consequently India is not able to compete with China and Japan; and

(b) the year-wise details of amount, released under the Technology Upgradation Fund scheme during the last five years and progress made as a result thereof?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA) (a) In order to compete with China and other textile exporting countries modernisation of weaving and processing sector is critical.

(b) The details of amount released under the Technology Upgradation Fund Scheme (TUFS) during the last five years are as follows: